



Nippon india Mutual Fund

Wealth sets you free

(Formerly Reliance Mutual Fund)

Markets for You

22 May 2020

Good gets *better*

Indices Performance				
Global Indices	21-May	Prev_Day	Abs. Change	% Change#
Russell 3000	1,445	1,455	-10	-0.72
Nasdaq	9,285	9,376	-91	-0.97
FTSE	6,015	6,067	-52	-0.86
Nikkei	20,552	20,595	-43	-0.21
Hang Seng	24,280	24,400	-120	-0.49
Indian Indices	21-May	Prev_Day	Abs. Change	% Change#
S&P BSE Sensex	30,933	30,819	114	0.37
Nifty 50	9,106	9,067	40	0.44
Nifty 100	9,300	9,249	51	0.55
Nifty 500	7,471	7,427	44	0.59
Nifty Bank	17,735	17,840	-105	-0.59
S&P BSE Power	1,426	1,443	-17	-1.18
S&P BSE Small Cap	10,548	10,472	76	0.72
S&P BSE HC	15,452	15,354	98	0.64

P/E Dividend Yield				
Date	Sensex		Nifty	
	P/E	Div. Yield	P/E	Div. Yield
21-May	19.42	1.21	21.14	1.67
Month Ago	18.42	1.34	20.10	1.69
Year Ago	28.71	1.20	29.18	1.12

Nifty 50 Top 3 Gainers				
Company	21-May	Prev_Day	% Change#	
ITC	189	176	7.51	
Hindalco	130	121	7.20	
Asian Paints	1574	1500	4.95	

Nifty 50 Top 3 Losers				
Company	21-May	Prev_Day	% Change#	
Bajaj Finserv Limited	4539	4702	-3.46	
IndusInd Bank	347	357	-2.94	
NTPC	90	93	-2.85	

Advance Decline Ratio			
	BSE	NSE	
Advances	1323	1049	
Declines	925	721	
Unchanged	166	122	

Institutional Flows (Equity)			
Description (Cr)	Inflow/Outflow	YTD	
FII Flows*	-1700	-45618	
MF Flows**	706	32626	

*21st May 2020; **19th May 2020

Economic Indicator			
YoY(%)	Current	Quarter Ago	Year Ago
CPI	5.91% (Mar-20)	7.35% (Dec-19)	2.86% (Mar-19)
IIP	-16.70% (Mar-20)	0.40% (Dec-19)	2.70% (Mar-19)
GDP	4.70% (Dec-19)	5.10% (Sep-19)	5.60% (Dec-18)

Since May-17, MOSPI has revised base year of IIP & WPI from 2004-05 to 2011-12, and for CPI from 2010 to 2012

[1] Data as on 20 May 2020

Global Indices

- Asian markets largely remained under pressure as investors remained worried over the U.S.-China tension. Weak economic data from Japan also weighed on market sentiments. Today (as on May 22), Asian markets was little changed as tensions between China and the U.S. rise. While Nikkei traded down 2.15%, Hang Seng market was up 0.08% (as at 8.a.m. IST).
- European markets declined as euro zone PMI (purchasing managers' index) data indicated another slowdown in activity for the region's manufacturing and services industry in May 2020. A report from the World Health Organization (WHO) saying new coronavirus cases rose across the globe this week weighed.
- U.S. markets fell after strong gains in the previous session. Some major technology stocks decline. Dismal U.S. initial weekly jobless claims and rising tensions between U.S. with China, pushed the market lower.

Indian Equity Market

- Indian equity markets edged higher with investors taking positive cues from the government announcement on resumption of domestic airline operations from May 25, almost two months after the operations were suspended on Mar 25. However, gains were restricted after one of the domestic ratings-agency said that modest fiscal support, lock down extension and looming labour supply mismatches suggest deeper GDP contraction of 5% in FY21.
- Key benchmark indices S&P BSE Sensex and Nifty 50 gained 0.37% and 0.44% to close at 30,932.90 and 9,106.25 respectively. S&P BSE MidCap and S&P BSE SmallCap gained 0.76% and 0.72% respectively.
- The overall market breadth on BSE was strong with 1,323 scrips advancing and 925 scrips declining. A total of 166 scrips remained unchanged.
- On the BSE sectoral front, S&P BSE Auto was the major gainer, up 2.45% followed by S&P BSE Consumer Discretionary Goods & Services, up 2.09% and S&P BSE Metal, up 1.84%. S&P BSE Power was the major loser, down 1.18% followed by S&P BSE Capital Goods, down 1.05% and S&P BSE Finance, down 0.74%.

Domestic News

- Banks asks RBI to push moratorium date to Aug 31, 2020 instead of June 7, 2020. Currently, if borrowers fails to pay principal or interest within 90 days are classified as non-performing assets (NPA). Some banks want this limit to be raised to 180 days to limit the surge in NPAs to deal economic slowdown. In addition, banks and NBFCs also requested for one-time restructuring of loans as relief measure.
- Finance Commission says, the bleeding pockets of government to tackle pandemic and reduction in economic activities will push up the debt to GDP ratio in FY21. The outstanding debt of the states has risen over the last five years to 25% of the GDP in FY20, posing medium-term challenges to its sustainability. The Centre's debt-to-GDP was estimated to be around 49% of GDP in FY20, up from 48.7% in FY19.
- The income tax department has notified the 'safe harbour' rates for FY19-20 fiscal for calculation of transfer pricing by foreign companies in India. The Central Board of Direct Taxes (CBDT) has notified changes to Rules 10TD and 10TE of Income Tax Rules relating to Safe Harbour Rules. It said rates applicable from Assessment Year (AY) FY17-18 to FY19-20 will continue to apply for AY 2020-21.
- The government released Rs. 92,077 crore towards devolution of central taxes to states for Apr and May 2020. The devolution amount for Apr 2020 stood at Rs. 46,038.10 crore, while for May, it is Rs. 46,038.70 crore. The Budget had projected the share of the states in taxes at Rs. 7.84 lakh crore for FY20-21.

Good gets better

FII Derivative Trade Statistics			
(Rs Cr)	21-May		
	Buy	Sell	Open Int.
Index Futures	6517.28	6300.87	5753.22
Index Options	209956.51	210352.58	35699.96
Stock Futures	14526.61	14370.16	76337.49
Stock Options	3716.39	3651.72	3324.62
Total	234716.79	234675.33	121115.29

Derivative Statistics- Nifty Options			
	21-May	Prev_Day	Change
Put Call Ratio (OI)	1.24	1.18	0.06
Put Call Ratio(Vol)	1.04	0.89	0.15

Debt Watch				
	21-May	Wk. Ago	Mth. Ago	Year Ago
Call Rate	3.94%	3.92%	4.10%	5.94%
T-Repo	2.77%	2.11%	3.28%	5.98%
Repo	4.40%	4.40%	4.40%	6.00%
Reverse Repo	3.75%	3.75%	3.75%	5.75%
91 Day T-Bill	3.22%	3.40%	3.74%	6.35%
364 Day T-Bill	3.70%	3.71%	4.00%	6.40%
10 Year Gilt	6.03%	6.02%	6.21%	7.30%
G-Sec Vol. (Rs.Cr)	39989	53852	46870	23486
FBIL MIBOR ^[1]	4.43%	4.42%	4.49%	6.05%
3 Month CP Rate	4.35%	4.65%	5.60%	7.20%
5 Year Corp Bond	6.99%	6.97%	6.86%	8.31%
1 Month CD Rate	3.81%	3.91%	3.82%	6.92%
3 Month CD Rate	3.47%	3.65%	4.53%	7.07%
1 Year CD Rate	4.59%	4.61%	5.21%	7.53%

Currency Market			
Currency	21-May	Prev_Day	Change
USD/INR	75.78	75.67	0.11
GBP/INR	92.38	92.64	-0.26
EURO/INR	83.04	82.81	0.23
JPY/INR	0.70	0.70	0.00

Commodity Prices				
Commodity	21-May	Wk Ago	Mth. Ago	Year Ago
NYMEX Crude(\$/t)	34.15	26.90	8.86	62.97
Brent Crude(\$/bl)	34.57	28.55	5.61	73.93
Gold(\$/oz)	1725	1729	1686	1275
Gold(Rs./10 gm)	40989	40989	40989	31540

Source: Refinitiv

[1] Data as on 20 May 2020

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Derivatives Market

- Nifty May 2020 Futures stood at 9,075.10, a discount of 31.15 points below the spot closing of 9,106.25. The turnover on NSE's Futures and Options segment rose to Rs. 23,43,597.19 crore on May 21, 2020, compared with Rs. 12,20,838.30 crore on May 20, 2020.
- The Put-Call ratio stood at 0.84 compared with the previous session's close of 0.87.
- The Nifty Put-Call ratio stood at 1.24 compared with the previous session's close of 1.00.
- Open interest on Nifty Futures stood at 9.8 million, compared with the previous session's close of 9.89 million.

Indian Debt Market

- Bond yields eased on hopes that the Reserve Bank of India will announce open market bond purchases. Meanwhile, market participants await the debt weekly auction on Friday.
- The yield on the old 10-year benchmark paper (6.45% GS 2029) eased 1 bps to close at 6.03% from the previous closing of 6.04% after moving in a range of 6.03% to 6.05%.
- Yield on the new 10-year benchmark paper (5.79% GS 2030) closed unchanged at 5.77% from the previous close after moving in a range of 5.75% to 5.77%.
- Reliance Jio Infocomm plans to raise funds selling commercial papers maturing in 3 months at a coupon of 3.90%. It has received commitments worth around Rs. 2000 crore.

Currency Market Update

- The Indian rupee gained against the U.S. dollar following rise in domestic equity market. However, rising tensions between the U.S. and China continued to rule the broader market.
- The euro rose for the fifth straight session as optimism about a closer fiscal union in Europe remained high among market participants as dismal economic data failed to change sentiment amid U.S.-China tensions.

Commodity Market Update

- Gold prices plunged after rising in the last two straight sessions on rising U.S. dollar index and as market participants weighed some signs of improvement in the latest economic data. Gold prices increased to \$1723.84 per ounce from the previous close of \$1748.98 per ounce.

International News

- The Chinese companies will be prevented from listing their shares on US exchange, if US standard for audits and regulations are not followed. The measure also would require public companies disclose whether they are owned or controlled by a foreign government.
- The composite output index of Euro area rose to 30.5 in May 2020 from a record low 13.6 in Apr 2020. The prior low of 36.2 was seen during the peak of the global financial crisis in Feb 2009.
- China's industrial production rebounded and the decline in retail sales slowed in April, suggesting that the economy is recovering slowly as Covid-19, subsides. Industrial production grew 3.9% YoY in Apr 2020 while retail sales fell 7.5% YoY. Fixed asset investment has also fallen to 10.3% in Jan 2020.


Mutual Fund Investments are subject to market risks, read all scheme related documents carefully.



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